

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02031A  
Indiada Water Company  
c/o Southwestern Utility Management, Inc.  
P.O. Box 85160  
Tucson, AZ 85754

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2010</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>10</b>
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3-7-11

## COMPANY INFORMATION

**Company Name (Business Name)** Indiada Water Company

**Mailing Address** c/o Southwestern Utility Management, Inc. P.O. Box 85160

(Street)

Tucson

(City)

AZ

(State)

85754

(Zip)

520-623-5172

Telephone No. (Include Area Code)

520-792-0377

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

☒ **Management Contact:** Southwestern Utility Management, Inc.

(Name)

(Title)

P.O.Box 85160

Tucson

AZ

85754

(Street)

(City)

(State)

(Zip)

520-623-5172

Telephone No. (Include Area Code)

520-792-0377

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** Gary Newman

(Name)

2102 N. Forbes Blvd #107

(Street)

Tucson

(City)

AZ

(State)

85745

(Zip)

520-623-5172

Telephone No. (Include Area Code)

520-792-0377

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** Bob Watkins

(Name)

200 E. Vista

(Street)

Bisbee

(City)

AZ

(State)

85603

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☒ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** \_\_\_\_\_

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☒ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	750	---	750
304	Structures and Improvements			
307	Wells and Springs	14684	14684	---
311	Pumping Equipment	9917	6328	3589
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	9457	2610	6847
331	Transmission and Distribution Mains	19717	18038	1679
333	Services			
334	Meters and Meter Installations	1255	1255	---
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	3789	3789	---
341	Transportation Equipment	18045	12632	5413
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	77614	59336	18278

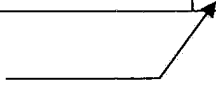
This amount goes on the Balance Sheet Acct. No. 108



**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	750		---
304	Structures and Improvements			
307	Wells and Springs	14684	Various	---
311	Pumping Equipment	9917	14.28%	663
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	9457	20%	1362
331	Transmission and Distribution Mains	19717	Various	505
333	Services			
334	Meters and Meter Installations	1255	Various	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	3789	Various	---
341	Transportation Equipment	18045	20%	3609
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>77614</b>		<b>6139</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.



**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	711	804
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	(763)	130
146	Notes/Receivables from Associated Companies	2000	2000
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	3000	3000
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	4948	5934
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	69712	77614
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(53197)	(59336)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	16515	18278
	<b>TOTAL ASSETS</b>	21463	24212

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	3533	3331
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	680	760
236	Accrued Taxes	(522)	(618)
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	3691	3473
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	---	---
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>		-
	<b>TOTAL LIABILITIES</b>	3691	3473
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	41300	41300
211	Paid in Capital in Excess of Par Value	(12320)	(8820)
215	Retained Earnings	92	(441)
218	Proprietary Capital (Sole Props and Partnerships)	(11300)	(11300)
	<b>TOTAL CAPITAL</b>	17772	20739
	<b>TOTAL LIABILITIES AND CAPITAL</b>	21463	24212

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	28013	30908
460	Unmetered Water Revenue		
474	Other Water Revenues	80	40
	<b>TOTAL REVENUES</b>	28093	30948
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	---	---
610	Purchased Water	1700	2004
615	Purchased Power	1818	1753
618	Chemicals	166	166
620	Repairs and Maintenance	875	1862
621	Office Supplies and Expense	1336	1703
630	Outside Services	9972	10453
635	Water Testing	2129	1659
641	Rents	---	---
650	Transportation Expenses	3688	1877
657	Insurance – General Liability	49	---
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	1439	2202
675	Miscellaneous Expense	---	40
403	Depreciation Expense	5076	6139
408	Taxes Other Than Income	(958)	---
408.11	Property Taxes	1412	1681
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	28702	31539
	<b>OPERATING INCOME/(LOSS)</b>	(609)	(591)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income	47	58
426	Miscellaneous Non-Utility Expenses	---	
427	Interest Expense	---	
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	47	58
	<b>NET INCOME/(LOSS)</b>	(562)	(533)



**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 519.91

Meter Deposits Refunded During the Test Year \$ -0-

<b>COMPANY NAME</b> Indiada Water Company	
<b>Name of System:</b>	<b>ADEQ Public Water System Number: 02-020</b>

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-805790	1	12	55	8	1	1970
55-805791	2	20	150	8	1	1966
55-805792	1.5	20	145	8	2	1967

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
Antelope Run Water Company	150	841

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
2	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
12,000	1	1000	2
		85	2

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME</b> Indiada Water Company	
<b>Name of System:</b>	<b>ADEQ Public Water System Number: 02-020</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	1,000
3	AC/PVC	10,000
4	AC/PVC	2,000
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X ¾	54
3/4	
1	1
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, list the utility owned assets in each category for each system.**

TREATMENT EQUIPMENT:

Five Chlorinators \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

STRUCTURES:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OTHER:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME:</b> Indiada Water Company	
<b>Name of System:</b>	<b>ADEQ Public Water System Number: 02-020</b>

### **WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010**

<b>MONTH</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS PUMPED (Thousands)</b>	<b>GALLONS PURCHASED (Thousands)</b>
<b>JANUARY</b>	54	253	279	6
<b>FEBRUARY</b>	55	233	220	14
<b>MARCH</b>	54	273	226	101
<b>APRIL</b>	54	389	284	170
<b>MAY</b>	54	489	378	188
<b>JUNE</b>	54	737	532	264
<b>JULY</b>	54	549	505	90
<b>AUGUST</b>	54	332	449	0
<b>SEPTEMBER</b>	54	432	516	0
<b>OCTOBER</b>	54	436	490	0
<b>NOVEMBER</b>	54	527	596	3
<b>DECEMBER</b>	53	301	362	5
<b>TOTALS →</b>		<b>4951</b>	<b>4837</b>	<b>841</b>

What is the level of arsenic for each well on your system? <0.001 mg/l

*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_ GPM for \_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ Yes                      ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes                      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

<b>COMPANY NAME:</b> Indiada Water Company	
<b>Name of System:</b>	<b>ADEQ Public Water System Number: 02-020</b>

**UTILITY SHUTOFFS / DISCONNECTS**

<b>MONTH</b>	<b>Termination without Notice R14-2-410.B</b>	<b>Termination with Notice R14-2-410.C</b>	<b>OTHER</b>
<b>JANUARY</b>		1	
<b>FEBRUARY</b>		0	
<b>MARCH</b>		1	
<b>APRIL</b>		0	
<b>MAY</b>		0	
<b>JUNE</b>		0	
<b>JULY</b>		0	
<b>AUGUST</b>		0	
<b>SEPTEMBER</b>		0	
<b>OCTOBER</b>		0	
<b>NOVEMBER</b>		0	
<b>DECEMBER</b>		1	
<b>TOTALS →</b>		3	

OTHER (description):

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**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 1,681.38

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) **PIMA**

NAME (OWNER OR OFFICIAL) TITLE **BONNIE O'CONNOR, MANAGER**

COMPANY NAME: **INDIADA WATER COMPANY, INC.**

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2010

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

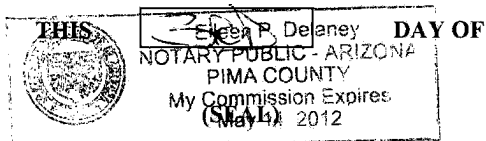
**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

  
SIGNATURE OF OWNER OR OFFICIAL

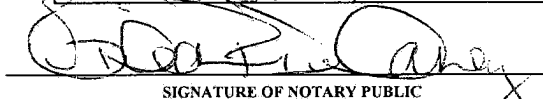
**520-623-5172**  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**



COUNTY NAME <b>PIMA</b>	
MONTH <b>MARCH</b>	<b>2011</b>

  
SIGNATURE OF NOTARY PUBLIC

**MY COMMISSION EXPIRES** **MAY 14, 2012**

**COMPANY NAME** Indiada Water Company **YEAR ENDING 12/31/2010**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported S Corporation  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported S Corporation  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
**SIGNATURE**

3/2/11  
**DATE**

Bonnie O'Connor  
**PRINTED NAME**

Manager  
**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) <b>PIMA</b>
NAME (OWNER OR OFFICIAL) TITLE <b>BONNIE O'CONNOR, MANAGER</b>
COMPANY NAME: <b>INDIADA WATER COMPANY, INC.</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2010

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**


**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

**\$ 32918**

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 1969  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

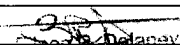
  
SIGNATURE OF OWNER OR OFFICIAL  
520-4623-5172  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

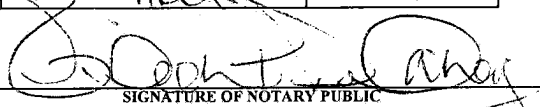
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**



  
NOTARY PUBLIC - ARIZONA  
PIMA COUNTY  
(SEAL)  
Commission Expires  
May 14, 2012

**DAY OF**

COUNTY NAME <b>PIMA</b>	MONTH <b>MARCH</b>	YEAR <b>2011</b>
 SIGNATURE OF NOTARY PUBLIC		

See Accountants' Report.

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) **PIMA**

NAME (OWNER OR OFFICIAL) TITLE **BONNIE O'CONNOR, MANAGER**

COMPANY NAME: **INDIADA WATER COMPANY, INC.**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<b>12</b>	<b>31</b>	<b>2010</b>

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES

**\$ 32918**

**THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1969  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL

520-623-5172  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

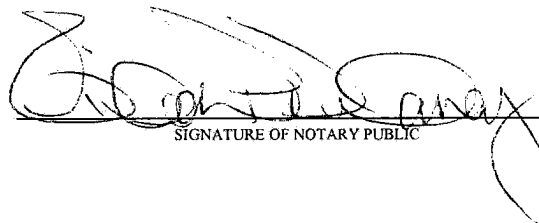
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 3RD **DAY OF**

**(SEAL)**

**MY COMMISSION EXPIRES**

NOTARY PUBLIC NAME <b>Eileen P. Delaney</b>	
COUNTY NAME <b>PIMA</b>	
MONTH <b>MARCH</b>	20 <b>11</b>

  
SIGNATURE OF NOTARY PUBLIC

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK  
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

**HOLM, HESTAND & VALENZUELA, CPAS, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**3131 NORTH COUNTRY CLUB ROAD, SUITE 109**  
**TUCSON, ARIZONA 85716**

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FAX: (520) 795-5191  
E-MAIL: HHVCPA@EARTHLINK.NET

To the Board of Directors  
Indiada Water Company, Inc.  
Tucson, AZ 85745

We have compiled the balance sheets of Indiada Water Company, Inc., as of December 31, 2010 and 2009 and the related statements of income and expense for the years then ended included in the accompanying prescribed form. We have also compiled the supplementary information presented in the prescribed form. We have not audited or reviewed the accompanying financial statements and supplementary information, and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary information are in accordance with the form prescribed by the Arizona Corporation Commission--Utilities Division.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary information in accordance with requirements prescribed by the Arizona Corporation Commission--Utilities Division and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary information.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Arizona Corporation Commission--Utilities Division and is not intended to be and should not be used by anyone other than this specified party.

*Holm, Hestand, Valenzuela CPAs P.C.*

February 18, 2011